

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009
(With Comparative Totals as of and For the Year Ended June 30, 2008)
And Supplemental Information Schedules

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/3/10

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
Alexandria, Louisiana

Annual Financial Report
As of and For the Year Ended June 30, 2009
(With Comparative Totals as of and For the Year Ended June 30, 2008)
And Supplemental Information Schedules

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Independent Auditor's Report

To the Board
Rapides Soil and Water Conservation District
Alexandria, Louisiana

I have audited the basic financial statements of the Rapides Soil and Water Conservation District as of June 30, 2009, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Rapides Soil and Water Conservation District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rapides Soil and Water Conservation District as of June 30, 2009, and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Required Supplementary Information (Part I & II), as listed in the foregoing table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. This Required Supplementary Information is the responsibility of the management of the Rapides Soil and Water Conservation District. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, I have also issued a report dated April 1, 2009, on my consideration of internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The financial information for the year ended June 30, 2008, which is included for comparative purposes, was taken from the financial report, dated December 28, 2008, by other accountants in their review engagement.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Respectfully, Submitted,

Herbie W. Way

Herbie W. Way
Certified Public Accountant
December 18, 2009

**RAPIDES SOIL AND WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2009**

As management of the Rapides Soil and Water Conservation District (the District), we offer readers of the District's financial statements this discussion and analysis of the financial activities of the District for the year ended June 30, 2009. The MD&A is designed to provide an objective and easy to read analysis of the District's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the District's finances. It is also intended to provide readers with an analysis of the District's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted. This section is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in financial position, its ability to address future year challenges, identify any material deviations from the financial plan, and identify individual fund issues or concerns.

Overview of the Financial Statements

The District's basic financial statements consist of the following:

Government-Wide Financial Statements (GWFS) - are designed to change the way in which governmental financial statements are presented by providing a concise "entity-wide" Statement of Net Assets and Statement of Activities which provide a broad overview of the District's financial position and results of operations.

Statement of Net Assets - presents information on all of the District's assets and liabilities using the accrual basis of accounting. The difference between assets and liabilities is reported as net assets.

Statement of Activities - presents information on all the District's revenues and expenses using the accrual basis of accounting which reports all changes in net assets as the underlying events occur.

Government-Wide Financial Analysis - net assets, over time, serve as a useful indicator of a government's financial position. For the year ended June 30, 2009, the assets exceeded liabilities by \$208,909, this represents an increase in net assets of \$54,609, from the previous year.

The majority of the District's net assets is reported as cash and cash equivalents which are used to provide services to improve and conserve the quality of the soil and water within the District. These assets are available for future spending.

Fund Financial Statements (FFS)- presents information on all of the District's revenues and expenses using the modified accrual basis of accounting. This reports all changes in net assets as the underlying events occur. Fund Financial Statements - consists of funds which are a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentations more familiar. The focus now is on the major fund types rather than the non-major fund types. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - which are comprised of the General Fund and a Special Revenue Fund, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2009

Fund Financial Analysis - the governmental activities include general governmental activities which are reported in the General Fund which are funded by an annual State appropriation through the Louisiana Department of Agriculture and Forestry and a Special Revenue Fund whose governmental activities are funded through cost reimbursements from the Louisiana National Guard. The general governmental expenditures of the District include salaries and related benefits, program expenses, and other general administrative costs.

For the year ended June 30, 2009, the governmental funds reported a combined ending fund balance of \$226,003, this is an increase of \$56,531, from the previous year. The General Fund has an unreserved fund balance of \$128,778, this is a decrease of \$24,967, from the previous year. The Special Revenue Fund has a fund balance of \$97,225, this is an increase of \$81,498, from the previous year.

Notes to the Financial Statements - provides additional information that is essential for full disclosure and understanding of the financial information provided in the basic financial statements.

Required Supplemental Information - as required by governmental accounting standards, consists of budgetary comparison of the General and Special Revenue Fund.

Other Supplemental Information - as required by State law, consists of a schedule of compensation paid to board members.

Request for Information

Questions concerning any of the information contained in this report or requests for additional information can be obtained by contacting the District at 3734 Government Street (USDA Building C), Alexandria, LA 71302.

Statement A

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
Alexandria, Louisiana

Statement of Net Assets

June 30, 2009

(With Comparative Totals at June 30, 2008)

	2009	2008
ASSETS		

Cash and cash equivalents	\$281,556	\$186,420
Receivables (net of allowance for uncollectibles)	30,062	50,869
	-----	-----
TOTAL ASSETS	\$311,618	\$237,289
	=====	=====
LIABILITIES		

Current liabilities:		
Accounts payable	\$85,615	\$67,817
Compensated absences	4,859	3,793
Long-term liabilities - compensated absences	14,578	11,379
	-----	-----
Total Liabilities	105,052	82,989
	-----	-----
NET ASSETS		

Unrestricted	206,566	154,300
	-----	-----
TOTAL NET ASSETS	\$206,566	\$154,300
	=====	=====

The accompanying notes are an integral part of these financial statements.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
Alexandria, Louisiana

Statement of Activities
For the Year Ended June 30, 2009
(With Comparative Totals for the Year Ended June 30, 2008)

	Program revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	-----	-----	-----	-----
Governmental activities:				
Conservation of natural resources - soil and water conservation	(\$722,107)		\$770,733	
	-----	-----	-----	-----
TOTAL EXPENSES	(712,107)	NONE	770,733	NONE
	-----	-----	-----	-----
GENERAL REVENUES				
Use of money and property - interest earnings			3,640	7,573
			-----	-----
TOTAL GENERAL REVENUES			3,640	7,573
			-----	-----
CHANGES IN NET ASSETS			52,266	(9,241)
			-----	-----
NET ASSETS AT BEGINNING OF YEAR			154,300	163,541
			-----	-----
NET ASSETS AT END OF YEAR			\$206,566	\$154,300
			=====	=====

The accompanying notes are an integral part of these financial statements.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
 Alexandria, Louisiana
 GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2009
 (With Comparative Totals at June 30, 2008)

	GENERAL FUND	SPECIAL REVENUE FUND	2009	2008
ASSETS				

Cash and cash equivalents	\$129,648	\$151,908	\$281,556	\$186,420
Receivables (net of uncollectibles)	7,797	22,265	30,062	50,869
	-----	-----	-----	-----
TOTAL ASSETS	\$137,445	\$174,173	\$311,618	\$237,289
	=====	=====	=====	=====
LIABILITIES AND FUND BALANCE				

Liabilities:				
Accounts payable	\$8,667	\$76,948	\$85,615	\$67,817
Total liabilities	8,667	76,948	85,615	67,817
	-----	-----	-----	-----
Fund balance - unreserved/undesignated	128,778	97,225	226,003	169,472
	-----	-----	-----	-----
TOTAL LIABILITIES AND FUND BALANCE	\$137,445	\$174,173	\$311,618	\$237,289
	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
 Alexandria, Louisiana

Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2009
 (With Comparative Totals at June 30, 2008)

	2009	2008
Total Fund Balance - Governmental Funds	\$226,003	\$169,472
Adjustments for:		
Compensated absences	(19,437)	(15,172)
Net Assets	\$206,566	\$154,300

The accompanying notes are an integral part of these financial statements.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
 Alexandria, Louisiana
 GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2009
 (With Comparative Totals for the Year Ended June 30, 2008)

	GENERAL FUND	SPECIAL REVENUE FUND	2009	2008
REVENUES				
State appropriations	\$39,218		39,218	36,850
Natural Resources Conservation Service - Louisiana Army National Guard		\$731,515	731,515	361,146
Use of money and property - interest earnings	3,640		3,640	7,573
Total revenues	42,858	731,515	774,373	405,569
EXPENDITURES				
Current - conservation of natural resources - water conservation	67,825	650,017	717,842	399,638
Total expenditures	67,825	650,017	717,842	399,638
EXCESS OF REVENUES OVER EXPENDITURES	(24,967)	81,498	56,531	5,931
FUND BALANCE AT BEGINNING OF YEAR	153,745	15,727	169,472	163,541
FUND BALANCE AT END OF YEAR	\$128,778	\$97,225	\$226,003	\$169,472

The accompanying notes are an integral part of these financial statements.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
 Alexandria, Louisiana

Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures, and Changes
 in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2009
 (With Comparative Totals for the Year Ended June 30, 2008)

	2009	2008
Total net change in fund balances - governmental funds	\$56,531	\$5,931
Amounts reported for governmental activities in the Statement of Activities are different because:		
Net increase in compensated absences	(4,265)	(15,172)
Change in net assets of governmental activities	\$52,266	(\$9,241)

The accompanying notes are an integral part of these financial statements.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2009

NATURE OF ORGANIZATION

Rapides Soil and Water Conservation District (the District) was created under the provisions of Louisiana Revised Statutes (LSA-RS) 3:1201 and comprise the area within District 12, Area III of the State of Louisiana. The District is governed by a Board comprised of five land owners or occupants as provided by LSA-RS 3:1204 and primarily assists farmers and other land users in the use of the lands and the prevention of erosion of farm and urban lands and the pollution of waters within the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a governing authority for financial reporting purposes, since it is a special purpose government that is a legally separate governmental subdivision of the State, and is fiscally independent of other state or local governments. As a governing authority for financial reporting purposes, the financial statements of the District include all funds and activities that are within its oversight responsibility.

C. FUNDS

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the are classified as follows:

Governmental Funds

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations. The following are considered major governmental funds used by the District in its operations:

General Fund -- the general operating fund and accounts for all financial resources, except those required to be accounted for in other funds.

Special revenue funds -- account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special revenue funds are comprised of:

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Louisiana National Guard (LANG) - which reimburses the District monthly for salary costs and benefits of providing management, monitoring and implementation of environmental projects, performing the duties of hazardous waste manager and environmental management system coordinator.

Natural Resources Conservation Service - reimburses the District monthly for technical assistance associated with the administration and implementation of the Environmental Quality Incentives Program. Tasks include, but are not limited to, developing and modifying conservation plans, surveying, design, inventory/evaluation, certification/monitoring.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements - include the Statement of Net Assets (Statement A) and the Statement of Activities (Statement B). These financial statements report the financial position and results of operations for the District as a whole.

The Government-Wide Financial Statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from general revenues.

Allocation of Indirect Expenses - The District reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Fund Financial Statements - governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2009

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements, including annual appropriations are recorded as unrestricted grants-in-aid when available and measurable. Expenditure driven Federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred.

Interest earnings on time deposits are recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when they are available to the District.

Based on the above criteria Federal and State entitlements, including annual appropriations, are treated as susceptible to accrual by the District.

Expenditures

Salaries are recorded as expenditures when earned.

Purchases of various operating services and supplies are recorded as expenditures in the accounting period they are purchased.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

E. BUDGET PRACTICES

The proposed budget of the governmental funds, is adopted by the board of commissioners in a public meeting in June of the previous year. All appropriations lapse at year end. Although a system of encumbrance accounting is not used by the District, formal budget integration (within the accounting records) is employed as a management control device.

F. CASH AND EQUIVALENTS

Cash includes amounts in demand deposit, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-producing items with original maturities of usually 90 days or less. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2009

G. CAPITAL ASSETS

At June 30, 2009, the District has not acquired any property, plant, and/or equipment that is required to be capitalized and depreciated.

H. RESTRICTED NET ASSETS

For Government-Wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either, externally imposed by creditors (such as debt covenants, construction contracts, etc.), grantors, contributors, or laws or regulations of other governments and/or imposed by law through constitutional provisions or enabling legislation. At June 30, 2009, there are no restrictions of net assets.

I. FUND EQUITY

In the Fund Financial Statements, Governmental Funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. At June 30, there are no reservations and/or designations of fund equity.

J. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence. At June 30, 2009, there are no extraordinary and/or special items to be reported.

K. USE OF ESTIMATES

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported on the basic financial statements and the related note disclosure at the date of the financial statements. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2009, the District has cash and cash equivalents as follows:

Demand deposits (interest bearing)	\$169,430
Time and certificates of deposit	<u>112,126</u>
Total	<u><u>\$281,556</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2009, the District had cash and cash equivalents (collected bank balances) of \$268,605. These deposits are secured from risk by federal deposit insurance (GASB Category 1).

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
Notes to the Financial Statements
For the Year Ended June 30, 2009

3. RISK MANAGEMENT

The District is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
 Alexandria, Louisiana
 GOVERNMENTAL FUND - GENERAL FUND

Statement of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
State appropriations	\$36,642	\$36,944	\$39,218	\$2,274
Use of money and property - interest earnings		3,500	3,640	140
Total revenues	36,642	40,444	42,858	2,414
EXPENDITURES				
Current - Conservation of Natural Resources - Soil and Water Conservation	36,642	109,231	72,090	37,141
Total expenditures	36,642	109,231	72,090	37,141
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	NONE	(68,787)	(29,232)	39,555
FUND BALANCE AT BEGINNING OF YEAR	NONE	138,573	138,573	NONE
FUND BALANCE AT END OF YEAR	NONE	\$69,786	\$109,341	\$39,555

See independent auditor's report.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
 Alexandria, Louisiana
 GOVERNMENTAL FUND - SPECIAL REVENUE FUND

Statement of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Louisiana Army National Guard	\$747,582	\$600,000	\$731,515	\$131,515
Total revenues	747,582	600,000	731,515	131,515
EXPENDITURES				
Current - Conservation of Natural Resources - Soil and Water Conservation	747,582	778,895	650,017	128,878
Total expenditures	747,582	778,895	650,017	128,878
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	NONE	(178,895)	81,498	260,393
FUND BALANCE AT BEGINNING OF YEAR	NONE	15,727	15,727	NONE
FUND BALANCE AT END OF YEAR	NONE	(\$163,168)	\$97,225	\$260,393

See independent auditor's report.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
Alexandria, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULE

For the Year Ended June 30, 2009

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 33:405(G), each board member may receive per diem of up to \$35 per month to attend meetings.

<u>Board Member</u>	<u>Amount</u>
Brown, Bruce	*
Gillespie, Larry G.	175
Johnston, Max C.	420
Melder, Richard J.	*
Young, Woodrow "Woody"	<u>315</u>
Totals	<u><u>\$910</u></u>

* - Mr. Brown and Mr. Melder have elected not to receive compensation.

See independent auditor's report.

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board
Rapides Soil and Water Conservation District
Alexandria, Louisiana

I have audited the financial statements of the Rapides Soil and Water Conservation District as of and for the year ended June 30, 2009, and have issued my report thereon dated December 18, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Rapides Soil and Water Conservation District
Alexandria, Louisiana
GAO Report
(Continued)

Although not considered material to the financial statements, I noted certain matters, contained in Schedule 4, that were reported to management.

Prior Year Audit Findings

The review report, for the year ended June 30, 2008, disclosed instances of noncompliance that were required to be reported under *Government Auditing Standards* and/or matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses. See Schedule 5, for information relating to this findings and management's corrective action plan.

General

This report is intended for the information of the audit committee, management, and certain state regulatory entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute (LSA-R.S.) 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Herbie W. Way

Herbie W. Way
Certified Public Accountant
December 18, 2009

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
Alexandria, Louisiana

CURRENT YEAR FINDINGS & MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2009

Finding 2009-01

The Local Government Budget Act requires political subdivisions to:

To prepare a comprehensive budget presenting a complete financial plan for the ensuing fiscal year for the general fund and each special revenue fund. The chief executive or administrative officer of the political subdivision or, in the absence of such positions, the equivalent thereof shall prepare the proposed budget.

The budget document setting forth the proposed financial plan for the general fund and each special revenue fund shall include the following:

A budget message signed by the budget preparer which shall include a summary description of the proposed financial plan, policies, and objectives, assumptions, budgetary basis, and a discussion of the most important features.

A statement for the general fund and each special revenue fund showing the estimated fund balances at the beginning of the year; estimates of all receipts and revenues to be received, revenues itemized by source; recommended expenditures itemized by agency, department, function, and character; other financing sources and uses by source and use; and the estimated fund balance at the end of the fiscal year.

A budget proposed for consideration by the governing authority shall be accompanied by a proposed budget adoption instrument. The budget adoption instrument for any municipality, parish, school board, or special district shall be an appropriation ordinance, adoption resolution, or other legal instrument necessary to adopt and implement the budget document. The adoption instrument shall define the authority of the chief executive and administrative officers of the political subdivision to make changes within various budget classifications without approval by the governing authority, as well as those powers reserved solely to the governing authority.

The total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year.

The proposed budget is to be completed and submitted to the governing authority and made available for public inspection no later than 15 days prior to the beginning of each fiscal year.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
Alexandria, Louisiana

CURRENT YEAR FINDINGS & MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2009

Public participation is required for governmental entities with proposed budgetary expenditures of \$500,000 or more. The notice of the public hearing stating that the proposed budget is available for public inspection is to be published at least 10 days prior to the date of the first public hearing. The notice is to include the date, time, and place of the public hearing. No proposed budget is to be considered for adoption until at least one (1) public hearing has been held.

The governing authority is to certify to completion of all required action by publishing a notice, in the same manner as the initial public hearing.

Adoption of the proposed budget is to take place in an open meeting and completed prior to the end of the fiscal year in progress.

The budget (within a fund) is to be amended when: (1) total revenue and other financing sources plus projected revenue and other sources for the remainder of the year are failing to meet projected revenues and other sources by five (5) percent or more, (2) total actual expenditures and other uses plus expected projected expenditures and other uses for the remainder of the year are exceeding the total budgeted expenditures and other uses by five (5) percent or more, (3) Actual beginning fund balance is failing to meet estimated beginning fund balance by five (5) percent or more and the fund balance is being used to fund current year expenditures.

Management of the District, in a written response, has provided assurances that procedures will be implemented at the beginning of the next budgetary cycle.

RAPIDES SOIL AND WATER CONSERVATION DISTRICT
Alexandria, Louisiana

PRIOR YEAR (2008) FINDINGS & MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2009

The report for the year ended June 30, 2008, disclosed the following findings:

Finding 2008-1

Noncompliance with the Louisiana Local Government Budget Act as it related to budget preparation, monitoring, and amending the budget.

Resolution

See Finding 2009-1, above.

Finding 2008-2

Lack of segregation of duties and no individual within the organization that is charged with governance to assess the impact of GASB Statement No. 34 requirements.

Resolution

The organizational structure of the District has not changed as it relates to the possible impact on segregation of duties, but management has received guidance on the impact of GASB Statement No. 34 requirements as it relates to financial reporting.